

SUBORDINATION AND INTERCREDITOR AGREEMENT

This SUBORDINATION AND INTERCREDITOR AGREEMENT is dated December 22, 2021 (this “Agreement”) and is between SOURCEWATER, INC., a Delaware corporation d/b/a Sourcenergy (“Borrower”), ENERGY DEBT HOLDINGS LLC, a Texas limited liability company (“Lender”) and JOSHUA ADLER, an individual resident of the State of New Hampshire (“Adler”).

RECITALS

WHEREAS, Borrower is indebted to Adler pursuant to a Revolving Credit Note dated December 10, 2020 (the “Adler Note”);

WHEREAS, Borrower has entered into that Senior Secured Credit Note by and between Borrower and Lender, dated as of the date hereof, providing for a non-revolving line of credit in the aggregate principal amount of up to FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00) (the “EDH Note”);

WHEREAS, as a condition precedent to Lender’s agreement to loan the funds to Borrower, the Adler Note must be subordinated to the EDH Note;

WHEREAS, Adler is willing to subordinate the Adler Note to the EDH Note.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits of the parties and to induce Lender to make a loan for the benefit of the Borrower, as evidenced and memorialized by the EDH Note, Adler hereby (a) covenants and agrees, notwithstanding anything to the contrary contained in the Adler Note or the related Security Agreement or any of the other loan documents (collectively, the “Adler Loan Documents”), that the payment of any and all of the Adler Note and all amounts due thereunder shall be and are subordinate and subject in right and time of payment to the payment in full of the Senior Debt (as defined below), and (b) subordinates the security interest of the Adler Note as documented in that Security Agreement dated December 10, 2020; and the security interest of the EDH Note, and any renewals or extensions thereof, shall at all times be prior, superior and senior to the security interest of the Adler Note from this date forward. Notwithstanding the terms of the Adler Loan Documents, the Borrower hereby agrees that it may not make, and Adler hereby agrees that he will not accept, except as specifically provided for in the EDH Note, any distribution (including interest payments) with respect to the Adler Note until the Senior Debt is paid in full. Notwithstanding the foregoing, in the event the EDH Note has not been drawn upon and there is no Senior Debt outstanding, payment of any amounts due under the Adler Note shall not violate this Agreement.

For purposes of this Agreement, “Senior Debt” shall mean all obligations, liabilities and indebtedness of every nature of the Borrower, from time to time, owed to Lender under the EDH Note and related Security Agreement and any other loan documents related to the EDH Note including, without limitation, the principal amount of all debts, claims and indebtedness, accrued and unpaid interest accruing thereon and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and from time to time hereafter owing, due or payable, whether before or after the filing of a proceeding under the Bankruptcy Code.

Each holder of Senior Debt, whether now outstanding or hereafter created, incurred, assumed or guaranteed, shall be deemed to have acquired Senior Debt in reliance upon the provisions contained in this Agreement.

[Signatures on Following Pages]

IN WITNESS WHEREOF, the parties hereto have executed this Subordination Agreement on the day and year first written above.

BORROWER:

SOURCEWATER, INC.,
a Delaware corporation

By: 

Name: Joshua Adler

Its: CEO

ACKNOWLEDGEMENT

State of New Hampshire §

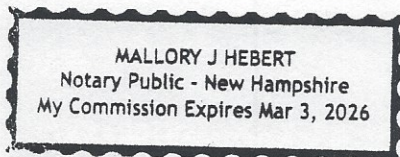
County of Rockingham §

The foregoing instrument was acknowledged before me on December 22, 2021 by Joshua Adler, the CEO of SOURCEWATER, INC., a Delaware corporation.


Notary Public

My Commission Expires: March 3, 2026

[SEAL]



LENDER:

ENERGY DEBT HOLDINGS LLC,
a Texas limited liability company

By: *[Signature]*

Name: Jay Whipple

Its: Manager

ACKNOWLEDGEMENT

State of Oklahoma §

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County of Oklahoma §

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The foregoing instrument was acknowledged before me on December 22, 2021 by Jay Whipple, the Manager of ENERGY DEBT HOLDINGS LLC, a Texas limited liability company.

Alvin J. Martineau

Notary Public

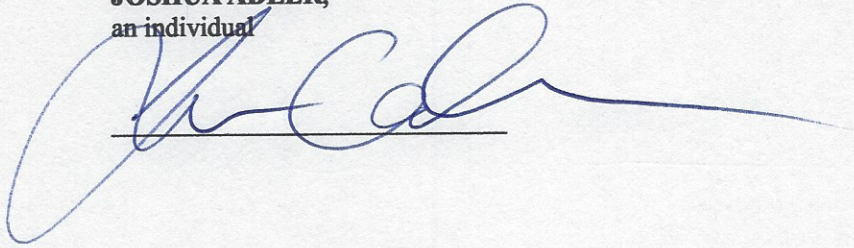
My Commission Expires:

4.12.2022



ADLER:

JOSHUA ADLER,
an individual

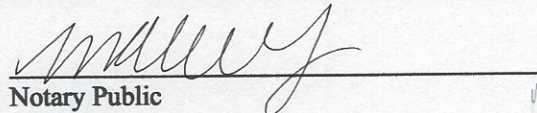


ACKNOWLEDGEMENT

State of New Hampshire §

County of Rockingham §

The foregoing instrument was acknowledged before me on December 22, 2021 by
Joshua Adler, an individual.


Notary Public

My Commission Expires: March 3, 2026

